CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUR.
CORPORATION FILE

ANNUAL REPORT

OF

THE NASH MOTORS COMPANY

(MARYLAND CORPORATION)

FISCAL YEAR ENDED NOVEMBER 30, 1920

TO THE STOCKHOLDERS:

The fiscal year of your Company closed November 30th last.

The net profits for the year, after deducting all expenses, reserves, inventory mark downs, depreciation and both Federal and State taxes, amounted to $7,007,470.96.

The balance sheet shows accounts payable of $1,074,229.93 and cash in banks $12,409,378.12. It is clear from the foregoing that the Company has been able to take all cash discounts on its purchases and has had no occasion to borrow a dollar from any of its banks.

Sales showed a satisfactory increase, amounting to $57,185,766 compared with $41,754,093 for the preceding year. We produced 37,263 passenger cars and 3,848 trucks. Notwithstanding adverse exchange, increased duties and embargoes, your Company exported 2,700 cars and trucks, not including in this figure exports to Canada and Mexico.

Reference was made in the last annual report to beginning construction of a new plant at Milwaukee for the production of a four cylinder car. The first units of the plant are now completed and operation started. The car is meeting with a fine reception, and it is expected that it will prove a great asset to the Nash Motors line.

We have put into the Milwaukee plant for land, buildings, machinery and equipment $1,573,083.39 besides $1,280,709.01 for working capital. We have also expended during the year in the enlargement of our Kenosha six cylinder and truck plant $1,051,445.01. The Company has practically no uncompleted construction on hand at the present time.

In accordance with authority voted by the stockholders, the Company has retired an additional 3,000 shares of its preferred stock and increased its authorized common stock by a like amount, of which 2,500 shares have been sold to employees for the sake of having them as partners in our business. The Company has also made other purchases of preferred stock for temporary investment so that the amount now outstanding in the hands of investors stands at $3,399,200 par value, compared with the original issue of $5,000,000.

For the first ten months of the fiscal year we were unable to keep up with the demand for our cars, but beginning October 1st we experienced a sharp drop which has caused us to shut down our plant for a number of weeks and for the balance of the period up to the present time to operate on a reduced schedule. We were expecting this reduction and when it came had on hand less than half a day's production, amounting merely to the current flow of cars through our factory shipping department to the freight cars.

We regarded this practical cessation in the purchase of motor cars as not only natural but absolutely essential under the general conditions prevalent in this country. We have certainly regretted our curtailment on account of the hardship inflicted on our employees, but otherwise this Company has been glad to bear its share of the burden of getting this country back to a sound financial basis.

The relation of the bankers of the country to the automobile industry is giving rise to considerable discussion at this time.

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CORP. FILE

The sale of automobiles is affected to a marked degree by seasons, though probably to a less extent than wearing apparel, farm implements and many other staple products. In order to give steady employment to help and to permit economical manufacture, an automobile plant should run substantially continuously. The dealers also must accumulate cars in December, January, February and March to meet their spring deliveries. These things can only be accomplished with the help of the bankers.

Some bankers seem to have felt that passenger cars were not desirable collateral. On the contrary we believe the cars of a financially sound and conservatively managed automobile company furnish exceptionally safe and desirable collateral.

Should one of our dealers prove unable to meet his note held by his local bank, there is no need for the banker to sacrifice our cars. In fact we should not expect to permit it. Our wholesale Distributor from whom the dealer bought his cars has a lively self-interest in taking them off the hands of the bank at the dealer's cost and moving them to some other part of his territory where they can be sold in an orderly manner and our National price maintained. The Distributor might ask us to help him by slowing down his shipments. We stand behind our Distributors and they know they can count on our co-operation.

We intend to continue to maintain a conservative production policy because we regard our distributing machinery as the most vital part of our business and we also fully realize that the bankers who are co-operating with our dealers are just as much a component part of our organization as the dealers themselves.

We are looking forward to at least a moderately successful year. We have taken the opportunity offered by the lull in business to re-emphasize the necessity of quality production. We have been having weekly "quality" meetings and we will say that for the first time we feel we have really attained a quality for our product which makes us feel content.

The balance sheet at the close of the fiscal year and the profit and loss statement are presented to you herewith.

JANUARY 13th, 1921.

CHARLES W. NASH,
President.

. . OFFICERS . .

CHARLES W. NASH
President

WALTER H. ALFORD
Vice-Pres. and Comptroller

ROBERT F. HERRICK CHARLES B. VOORHIS
JAMES T. WILSON
Vice-Presidents

GEORGE H. EDDY
Treasurer

HORACE J. MELLUM
Secretary

. . DIRECTORS . .

JAMES J. STORROW, Chairman

WALTER H. ALFORD FREDERIC W. ALLEN EMORY W. CLARK
ROBERT F. HERRICK CHARLES T. JEFFERY THOMAS M. KEARNEY
CHARLES W. NASH SAMUEL F. PRYOR

CONDENSED BALANCE SHEET

OF

THE NASH MOTORS COMPANY

AS OF NOVEMBER 30, 1920.

ASSETS

Real Estate, Plant and Equipment	$7,154,483.23	
Less Reserves for Depreciation	1,896,721.80	
		$5,257,761.43
Miscellaneous Investments		1,453,554.79
Liberty Loan Bonds		1,307,600.00
Material and Supplies		6,212,162.46
Notes Receivable		941,000.00
Accounts Receivable		1,757,783.00
Cash in Banks and on Hand		12,409,378.12
Prepaid Expenses		20,023.23
TOTAL		$29,359,263.03

LIABILITIES

Capital Stock Issued:		
Preferred (45,000 shares)	$4,500,000.00	
Common (54,500 shares)	500,000.00	
		$5,000,000.00
Accounts Payable		1,074,229.93
Reserves:		
For State and Federal Taxes		7,468,858.22
Other Reserves		3,284,337.09
Surplus November 30, 1920		12,531,837.79
TOTAL		$29,359,263.03

PROFIT AND LOSS ACCOUNT

Surplus November 30, 1919		$6,711,366.83
Net income for fiscal year ending November 30, 1920, after deducting expenses of manufacturing, selling and administration as well as providing for State and Federal Taxes for 1920		7,007,470.96
		$13,718,837.79
Less Dividends Paid:		
On Preferred Stock	$315,000.00	
On Common Stock	872,000.00	
		$1,187,000.00
Surplus November 30, 1920		$12,531,837.79

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